

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

James E. Gonzales)

MUR 4901)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that James E. Gonzales ("Respondent") knowingly and willfully violated 2 U.S.C. §§ 441b(a), and 441f.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered into pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter. For the purposes of this conciliation agreement only, Respondent has agreed to the facts and a full and final settlement as set forth in this agreement.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent was an employee of Rust Environment and Infrastructure, Inc. ("Rust") during the period of January, 1996, through August 6, 1998. Mr. Gonzales' duties included

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maintaining relationships with public officials and decision-makers, serving as a "client advocate" for Rust projects as well as various marketing and management functions.

2. During his employment by Rust, Respondent made political contributions on behalf of his employer to various federal campaign committees by writing personal checks to those committees. He then was reimbursed by his employer, Rust Environment and Infrastructure, Inc., through mileage claims in Rust travel and expense reports in amounts equal to the political contributions. Respondent asserts that these actions were taken at the direction of his initial supervisor and with the approval of his subsequent supervisors.

3. The Act prohibits corporations from making contributions or expenditures in connection with a federal election. 2 U.S.C. §441b(a). Section 441b(a) of the act also prohibits any officer or any director of any corporation from consenting to any contributions or expenditure by the corporation.

4. Further, Section 441f of the Act prohibits any person from making a contribution in the name of another person or from permitting his or her name to be used to effect such a contribution.

V. Respondent violated 2 U.S.C. § 441b(a) and §441f by consenting to the making of corporate contributions to federal committees and obtaining reimbursement from the corporation, Rust Environment and Infrastructure, Inc., and by permitting his name to be used to effect such a contribution.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of five thousand dollars (\$5,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.

§ 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. Respondent understands that the recipient campaign committees will be requested to disgorge the above-referenced reimbursed contributions to the United States Treasury. Respondent waives any and all claims he may have to the refund or reimbursement of such contributions. Respondent asserts that his employer has indicated that the company has already sought reimbursement from the recipient campaign committees.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

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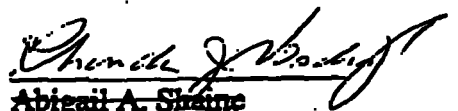
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FOR THE COMMISSION:

~~Eric G. Lerner~~ Lawrence H. Norton
Acting General Counsel

BY:


Abigail A. Shaine
Acting Associate General Counsel
Rhonda J. Vosdinger

11/28/01
Date

FOR THE RESPONDENT:


James E. Gonzales

9-10-01
Date

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